





# CALSTARS Annual Report 2001

## INTRODUCTION ☆

The CALSTARS Annual Report provides CALSTARS agencies with a summary of system operational activities and development efforts during the previous calendar year. In part, this document represents our commitment to continue the strategic development of CALSTARS on behalf of its client agencies. Through this effort, significant workload savings are achieved for each agency and for the State in general.

The CALSTARS Annual Plan was updated in July 2001. It reaffirms the basic mission of CALSTARS, outlines objectives/strategies for accomplishing that mission, and identifies specific project activities needed to meet those objectives. A copy of the updated Annual Plan was sent to each CALSTARS agency in July. The Annual Plan, the Annual Reports, and other CALSTARS information are also available through the CALSTARS web site at <http://www.dof.ca.gov/html/calstars/index.html>.

## SYSTEM CHANGES ☆

The efficient and cost-effective daily operation and maintenance of the CALSTARS system continues to be our highest priority. Beyond that, the majority of our system development resources are devoted to the projects described in the CALSTARS Annual Plan.

During 2001 changes pertaining to the following major projects were installed:

- ★ **ELECTRONIC TRANSFER OF DGS VENDOR INVOICES**—The Notices of Electronic File Transfer (NEFT) and most invoices received from the Department of General Services (DGS) are now electronically transferred to agencies for view or print at their location. This saves DGS the handling and mailing cost and provides agencies with more timely information.
- ★ **AUTOMATED TEC PAYMENT PROCESS**—The State Controller's Office (SCO) is developing a system (California Automated Travel Reimbursement System – CalATERS) to electronically process employee travel expense claims. CALSTARS is working with the SCO to install interfaces between CalATERS and CALSTARS to automatically create the various accounting entries necessary to record travel advances and travel expense reimbursements. CalATERS is being piloted in several agencies, and one of several automated interfaces between the two systems has been developed.



- ★ **AUTOMATED BANK RECONCILIATION PROCESS**—Two new fields for use when recording bank deposits, Location and Deposit, were activated. Transaction input screens, the History file, and several system generated and Standard Reports were modified to process and report Location and Deposit data entered on bank deposit transactions. Providing for the input of this data on bank deposit transactions is the first phase of automating agencies' monthly bank account reconciliation. Recording this data in CALSTARS will enable automated matching of bank deposit transactions between the SCO agency bank account system and CALSTARS.

The following are other changes installed this year not directly related to projects in the Annual Plan:

- ★ Changes were installed to accumulate agencies' payments to Independent Contractors and report those payments to the Employment Development Department within 20 days as required by recent legislation (SB 542). CALSTARS agencies are relieved of the workload to manually report these payments.
- ★ Vendor numbers no longer print on automated checks to state employees (Vendor Type 1). This is the last of several changes completed to assist agencies in maintaining the confidentiality of Social Security number data within CALSTARS. The other changes previously completed are: Provided the option to request the Vendor Edit Table listings (X01, X02) without print of the Vendor Type 1 (state employee) Vendor Numbers which are typically the employees' SSANs; and, provided the option to request the L01 and L02 Labor Reports without print of the state employees' SSANs.
- ★ Additional reports were modified allowing agencies to limit report data thus decreasing paper usage, reducing report processing costs, and easing report sorting, routing, and distribution. The D14 and Q29 reports were modified to provide the option to request the reports for a specific FFY, Index, PCA, Object, and/or Project/Work Phase, and 20 reports were modified to provide the option of requesting for a specific fund. In addition, the limit on the number of report requests in a single day was increased from 60 to 100.
- ★ The online history file and search feature introduced last year was modified to include two years' data. Now, past-year transactions, as well as current year, can be searched online using a wide variety of selection criteria. Transactions satisfying search criteria can be viewed online or in hardcopy or report file form.
- ★ The year-end process of rolling encumbrances forward to the new fiscal year for continuing appropriations was eliminated. This process was more aligned to GAAP reporting than legal basis/budgetary reporting and presented problems in reconciling agencies' year-end financial reports to year-end data presented in the Governor's Budget. Therefore, at the request of the SCO and Finance Budgets, the process was eliminated. However, for ease of accounting, the FFY for encumbrances of continuing appropriations is still incremented to the new FFY during YEC.



## MONARCH & MONARCH ES WEB PORTAL

### *MONARCH*

The use of Monarch PC software, now in its sixth year in the world of CALSTARS, continues to grow and significantly improve each agency's internal reporting processes. To date, 78 CALSTARS client agencies have purchased over 600 copies of Monarch.

In October 2001, Datawatch Corporation released Monarch Version 6. Monarch V6 Standard Edition gives users the ability to access more types of reports and data. It also adds improved data capture capabilities, improved exporting capabilities including export in HTML and Office XP formats, improved formatting and enhanced usability, improved summary view features, and a new 'Address Blocks' wizard.

The Professional Edition, which includes all of the features of the Standard Edition, also allows the user to import and join data from spreadsheets, popular databases and any ODBC compliant data source, such as SQL Server and Oracle Database management systems.

CALSTARS continues to provide Monarch training classes. The Monarch classes are in high demand, and waiting lists have been established. This year we conducted eight classes, an increase of two classes from the previous year. Monarch Training is available to all employees of a CALSTARS agency. The Monarch trainer leads the participants interactively through basic and advanced operations of Monarch. Students learn how to read report file data, create data extraction templates, query, filter, sort, summarize and export data for use with other PC applications. The tuition fee is \$200 per participant. See COM 01-06 for the current class schedule.

### *MONARCH Enterprise Solution (ES) WEB PORTAL*

Monarch ES is a report archival and retrieval system where reports are housed on a NT Server for electronic access and display on a PC rather than on paper. The ES Web Portal allows viewing of reports over the Internet. The Monarch ES/ES Web has excellent security and storage/archive capabilities. It can replace agency microfiche and eliminate duplicate printing of reports, which can be costly. CALSTARS client agencies currently spend approximately \$527,000 per year for microfiche and laser print at the Health and Human Services Data Center (HHSDC).

We are currently in the pilot phase of this project with eight CALSTARS client agencies (Department of Corrections, Department of Health Services, Department of Developmental Services, Department of Parks and Recreation, Franchise Tax Board, Department of Education, Department of Toxic Substances Control and the Department of Social Services). In November 2000, the pilot agencies began accessing a limited number of CALSTARS standard reports



over the Internet. We are currently completing the models for the remaining reports for these agencies to access. It is expected that the final phase of the pilot project will be completed within the next six months. Upon completion, we will invite additional CALSTARS client agencies to begin accessing their reports through the Monarch ES/ES Web Portal to replace their microfiche and eliminate duplicate printing of hardcopy reports.

We are very excited about the Monarch ES/ES Web Portal Project. It serves as a prime example of our efforts to incorporate new and improved technology into the functionality of CALSTARS, where appropriate and cost effective.

## COMMUNICATIONS WITH AGENCIES

CALSTARS agencies are informed of changes through the online NEWS, the CALSTARS/Monarch Users Group, CALSTARS Operations Memos (COMs), updates to the CALSTARS Procedures Manual (CPM), and through access to the Department of Finance web pages on the Internet. These communication methods are discussed in the following paragraphs.

**CALSTARS /MONARCH USERS GROUP**—The CALSTARS/Monarch Users Group membership totals 270, representing 70 CALSTARS agencies. Many of these members meet once a month and continue to share information on the innovative uses of Monarch. The group also serves as a forum for agency staff to voice comments and suggestions for further enhancement to CALSTARS. The minutes from the CALSTARS/Monarch Users Group can be found at the CALSTARS web site.

**CALSTARS ONLINE NEWS**—In 2001, we issued 135 News items and advertised 416 job opportunities. The CALSTARS News continues to be a popular method of advertising vacancies.

**CALSTARS WEB PAGE**—There is a great amount of helpful information contained on our web site, including the Annual Plan, Annual Report, CALSTARS contacts, CALSTARS Advisory Council and CALSTARS/Monarch User Group meeting minutes, various CALSTARS documentation, training schedules, and much more. Take a look ([www.dof.ca.gov/html/calstars/index.html](http://www.dof.ca.gov/html/calstars/index.html)) and bookmark the site for future use. When you have a minute, e-mail us and tell us what you think.

## CLIENT SUPPORT

The Quality Implementation Check (QIC) Review program continued this past year. A “QIC Review” is an agency requested review of their accounting practices and/or procedures. We began the year with seven active QICs, completing five. In addition, we started one new review. In all, we spent over 500 hours providing QIC support.

In addition to QIC support, we provided over 2500 hours of agency requested support to over 25 agencies. Examples include:



- ★ Assisted two agencies with year-end processes and statements.
- ★ Worked with two agencies to review their cost allocation processes.
- ★ Assisted an agency to implement new legislation.
- ★ Advised an agency on replacing an existing subsystem with CALSTARS.
- ★ Worked with two agencies on internal control issues.
- ★ Provided general support to agencies on downloading report files and creating external transactions for interfacing to CALSTARS.

Our ongoing support for newly implemented CALSTARS agencies during their first year of operation totaled almost 2000 hours. These agencies include the Department of Financial Institutions, Department of Managed Health Care, Department of Child Support Services, and the State Workforce Investment Board.

CALSTARS staff maintained the HOTLINE each working day from 8:30 AM until 4:30 PM. In addition, our staff maintained the HOTLINE for seven Saturdays in July and August from 8:00 AM until 1:00 PM to provide additional assistance for financial statement preparation and for year-end closing.

In addition to telephone support, agencies also access the HOTLINE via e-mail at [HOTLINE@dof.ca.gov](mailto:HOTLINE@dof.ca.gov).

## REPORTABLE PAYMENTS ★

The Reportable Payment process was run as scheduled on December 24, 2001. Agencies processed 258,681 reportable payment transactions during the year. On behalf of all CALSTARS agencies, we electronically reported over 17,408 information returns (Form 1099) totaling \$3,692,486,469.87 to the Franchise Tax Board (FTB) and the Internal Revenue Service (IRS). This consolidated filing is beneficial to agencies because they no longer need to individually:

- ★ Prepare and mail the 1099 form to each vendor that receives reportable payments from the agency.
- ★ Report the information to the FTB and IRS.



## TRAINING

CALSTARS Training continues to be a success with our client agencies.

The following table shows the number of classes conducted and students attending classes over the past two years:

TRACK	CLASS TITLE	LAST YEAR		THIS YEAR		CHANGE	
		CLASSES	STUDENTS	CLASSES	STUDENTS	CLASSES	STUDENTS
I	CALSTARS Overview/Intro	8	161	10	208	2	47
II	CALSTARS Tables	4	71	1	20	-3	-51
III	Detailed Accounting	5	96	9	175	4	79
IV	Labor Distribution Subsystem	1	12	3	48	2	36
V	SCO Reconciliation/ Month-end Close	3	52	2	40	-1	-12
VI	Office Revolving Fund and Check-writer Subsystem	2	38	3	60	1	22
VII	Cash Receipts and Accounts Receivable	3	58	4	78	1	20
VIII	Operating Transfers, Bonds and Loans <sup>1</sup>	2	29	1	19	-1	-10
IX	CALSTARS Reporting	1	20	9	185	8	165
YEC 1	Planning for Year-end Closing- 1/2 day	10	178	5	162	-5	-16
YEC 2	Preparing Year-end Statements- 1, 2, or 3-day Session	16	290	15	287	-1	-3
	Monarch for Windows	6	56	8	77	2	21
	TOTALS, ALL CLASSES	61	1061	70	1359	9	298
TOTAL STUDENT DAYS <sup>2</sup>		1,845		2144		299	

<sup>1</sup> On demand. Requires at least 10 students.

<sup>2</sup> Defined as the number of days of training in each track multiplied by the number of trainees in each track.

All CALSTARS training classes, except for the Monarch class, continue to be available at no direct cost to CALSTARS agencies. Each CALSTARS class covers a different functional area within an accounting operation. Through the Training System and the personal computers in our training room, we can simulate all parts of the CALSTARS system. We use the "hands on" training technique in nearly every class. Two analysts are assigned full time to maintain and conduct the CALSTARS training classes. See COM 01-06 for a listing and schedule of classes. The schedule of classes is also available through the CALSTARS web site.



## DAILY OPERATIONS

As shown in the table below, processing trends established over the past few years continued in 2001. The following are brief comments on the data in the table:

- ★ **TRANSACTIONS PROCESSED**—Total count of transactions processed during this past year increased by 3.0 percent over last year, reflecting the trend established over the past several years.
- ★ **REPORT REQUESTS**—Overall, total report requests have been fairly constant at around 250,000 to 260,000 requests per year. However, each year CALSTARS client agencies are requesting more "N1" (print immediate/same day) and "F1" (electronic report file) report requests and fewer normal Standard Reports. In fact, "N1" report requests now number about half that of normal Standard Reports. The increase in "F1" requests reflect the continued growth in the use of Monarch.
- ★ **MICROFICHE**—Virtually no change.
- ★ **HHSDC PAPER USAGE**—Print costs at the Health and Human Services Data Center (HHSDC) increased again this year. We see this and the convenience of printing locally as the main reasons CALSTARS client agencies continue the trend of reducing their dependence on HHSDC to print their reports.

	1997	1998	1999	2000	2001
Transactions	26,288,615	26,765,924	27,650,209	29,320,065	30,209,105
Report Requests:					
Standard Reports	210,700	200,361	172,924	162,431	157,688
"N1" (Print 'Now') Reports	51,214	55,411	55,665	59,381	77,995
"F1" Report Files	6,020	10,906	16,700	23,460	28,678
<b>REPORTS TOTAL</b>	<b>267,934</b>	<b>266,678</b>	<b>245,289</b>	<b>245,272</b>	<b>264,361</b>
Microfiche: Originals	276,618	294,121	283,822	277,209	276,317
Microfiche: Duplicates	337,399	326,588	294,605	291,120	285,912
Paper Usage (Pages printed at HHSDC)	9,850,636	8,475,380	7,014,871	6,107,344	5,350,801



## SYSTEM COSTS

CALSTARS system processing costs increased substantially over the past year. This increase was primarily due to increased CPU usage, mostly in the area of online processing. While transaction volume did increase somewhat, it appears a large part of the online processing increase is due to the recent enhancements built into the online system. These enhancements include the new transaction input screens adding the capability to lookup codes from table files and the

online History File Search feature. System usage statistics indicate substantial use of the History File Search feature (about 500 searches per day). While these enhancements provide convenient online access to data for transaction input and research, the trade off is increased usage of computer resources.

In our continuing effort to keep CALSTARS system costs reasonable, we have assigned a task group within CALSTARS to further investigate these increased charges and are considering several methods to make online searches more efficient, to educate users on efficient use of online functions, and to warn users when initiating inefficient online file searches.

## CONCLUSION

Departments rely heavily on their automated systems and their informational content for day-to-day operation and management decision-making. Recognizing that, we continue to focus on several goals for CALSTARS on their behalf.

- ★ Sustain the original goals and objectives established for CALSTARS;
- ★ Operate and maintain a value-added, cost effective accounting system;
- ★ Maintain an efficient and cost effective technology base and infrastructure of CALSTARS;
- ★ Respond to the business needs and demands for timely and accurate fiscal information and financial reporting; and
- ★ Apply new or improved technologies to enhance the system's functionality.

Consistent with these goals, work continues on a variety of projects included in the Annual Plan. These include Automated Bank Reconciliation (final phase), Monarch Enterprise Solution (ES), Automated Year-end Statements to SCO, and Online Screen Redesign (Phase II).